

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 402 – SB 710

March 3, 2013

SUMMARY OF ORIGINAL BILL: Defines full-time equivalent semester for the purpose of receiving a Tennessee HOPE scholarship. Establishes new terminating events for students who will receive a HOPE scholarship or grant, in the 2013 fall semester and semesters thereafter, when such a recipient earns a degree; the recipient received the HOPE scholarship or grant for eight semesters if enrolled in a degree program that requires less than 120 credit hours to graduate; the recipient received the HOPE scholarship or grant for nine semesters if enrolled in a degree program that requires more than 120 credit hours to graduate; or five years have passed since the recipient enrolled in an eligible postsecondary institution. Requires TSAC, under certain circumstances, to establish a process whereby students who received a HOPE scholarship or grant in any semester prior to the fall of 2009, who have reached a terminating event under current law, to continue receiving the scholarship or grant under the proposed terminating events established by the bill.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures – Net Impact - \$5,905,900/FY15-16 and
Subsequent Years/Lottery for Education Account

SUMMARY OF AMENDMENT (003805): Deletes all language after the enacting clause. Creates new terminating events for the receipt of the HOPE scholarship. Authorizes a HOPE scholarship recipient to receive the award until a student has attempted 120 course hours; received an award for eight semesters; completed five years; or received a baccalaureate degree, whichever event occurs last.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$2,484,800/FY13-14 and
Subsequent Fiscal Years/Lottery for Education Account

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Assumptions for the bill as amended:

- Current law authorizes students to receive the HOPE scholarship for 120 attempted course hours. An additional terminating event will be added as a result of the bill as amended; therefore, students attempting 120 semester hours prior to their eighth semester will remain eligible for their award, provided they have not yet graduated.
- According to the Tennessee Student Assistance Corporation (TSAC), in FY13-14, approximately 1,116 students will receive an award for one or two additional semesters.
- Based on TSAC information provided, there will be a recurring increase in state expenditures from the Lottery for Education Account estimated to be \$2,484,750.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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